

a short report of  
The New Jersey Education Reform Project

STATE COMPENSATORY EDUCATION FUND ALLOCATIONS  
TO URBAN SCHOOL DISTRICTS  
1976-1977 and 1978-1979

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In June, 1977, the State Department of Education introduced a new formula for calculating student eligibility and funding school districts to operate supplemental State compensatory education programs. The new formula used a combination of achievement and poverty factors to identify eligible students and generate funds. The old formula that was replaced had used a weighted count of students enrolled in Federal, State, and local compensatory education programs to calculate student eligibility and generate funds.

The new formula, which was the subject of a September, 1977 New Jersey Education Reform Project report, will be applied to all school districts in the State for the first time during the 1978-1979 school year.

The amount of State aid allocated for compensatory education mushroomed from \$33,002,999 in 1976-1977 to \$69,494,549 in 1978-1979, an increase of 111%. However, the proportion of compensatory education funds earmarked for the 28 urban districts decreased by 8.29% for the same period. Urban districts receive a smaller share of the total funds allocated under the new formula. The introduction of achievement as a factor in the calculation of student eligibility increased the number of non-urban students eligible for enrollment in State compensatory education programs.

Many New Jersey residents believe that State compensatory education is an urban program primarily for minority students and that most if not all of the funds in that category go to urban districts. This is one of a number of serious myths regarding education financing in New Jersey that needs to be dispelled because non-urban districts will receive nearly half (45.49%) of all State compensatory education funds in 1978-1979.

TABLE 1

State  
1976-1977 and 1978-1979 Compensatory Fund Allocations  
NJSEA 'Urban School' Boards Group (28 Districts)

School District Name	1976-77 Allocation Dollars	1978-79 Allocation Dollars	Difference Dollars	1976-77; 1978-79 Percent
Asbury Park	227,934	553,310	+ 325,376	+ 143
Atlantic City	638,058	1,234,727	+ 596,669	+ 94
Bayonne	335,671	469,729	+ 134,058	+ 40
Bridgeton	172,568	488,161	+ 315,593	+ 183
Camden	2,021,438	2,720,196	+ 698,758	+ 35
East Orange	459,812	997,490	+ 537,678	+ 117
Elizabeth	730,652	1,461,380	+ 730,728	+ 100
Hoboken	524,177	1,002,674	+ 478,497	+ 91
Irvington	225,726	840,366	+ 614,640	+ 272
Jersey City	2,387,237	4,950,222	+2,562,985	+ 107
Lakewood	206,482	608,422	+ 401,940	+ 195
Long Branch	247,967	615,356	+ 367,389	+ 148
Millville	127,454	387,244	+ 259,790	+ 204
Montclair	125,403	257,676	+ 132,273	+ 105
Neptune Township	211,214	530,681	+ 319,467	+ 151
Newark	6,670,941	8,013,866	+1,342,925	+ 20
New Brunswick	290,873	625,576	+ 334,703	+ 115
North Bergen	109,314	262,238	+ 152,924	+ 140
Orange	224,780	521,921	+ 297,141	+ 132
Passaic	514,390	1,150,964	+ 636,574	+ 124
Patterson	1,695,705	4,276,653	+2,580,948	+ 152
Perth Amboy	276,676	468,452	+ 191,776	+ 69
Phillipsburg	69,563	183,767	+ 114,204	+ 164
Plainfield	297,971	948,218	+ 650,247	+ 218
Trenton	1,161,755	2,691,910	+1,530,155	+ 132
Union City	301,126	595,647	+ 294,521	+ 98
Vineland	282,986	788,357	+ 505,371	+ 179
West New York	189,130	234,682	+ 45,552	+ 24
Total	<u>20,727,003</u>	<u>37,879,885</u>		
Total State Allocation	<u>33,002,999</u>	<u>69,494,549</u>		+ <u>111%</u>

Table 1 Notes:

Percent Increase, Mean: 127%  
Percent Increase, Median: 132%  
Range: 20% to 272%

Dollar Increase, Mean: \$612,603  
Dollar Increase, Median: \$401,940  
Range: \$45,552 to \$2,580,948

TABLE 2

Compensatory Education Funds Allocated to  
NJSBA Urban School Boards Group. (28 Districts).

	1976 - 1977	1978 - 1979
Dollar Amount	\$20,727,003	\$37,879,885
Percent of Total State Allocation	62.80%	54.51%

\*Note: The proportion of total State Compensatory Education Funds allocated to the 28 Urban districts decreased 8.29% under the new allocation formula that combined achievement and poverty as criteria for student eligibility.

TABLE 3

1978-79 COMPENSATORY EDUCATION FUNDING LEVEL INCREASES  
NJSBA URBAN SCHOOL BOARDS GROUP (28 DISTRICTS)

District	Rank	Dollar Increase
Patterson	1	2,580,948
Jersey City	2	2,562,985
Trenton	3	1,530,155
Newark	4	1,342,925
Elizabeth	5	730,728
Camden	6	698,758
Plainfield	7	650,247
Passaic	8	636,574
Irvington	9	614,640
Atlantic City	10	596,669
East Orange	11	537,678
Vineland	12	505,371
Hoboken	13	478,497
Lakewood	14	401,940
Long Branch	15	367,389
New Brunswick	16	334,703
Asbury Park	17	325,376
Neptune Township	18	319,467
Bridgeton	19	315,593
Orange	20	297,141
Union City	21	294,521
Millville	22	259,790
Perth Amboy	23	191,776
North Bergen	24	152,924
Bayonne	25	134,058
Montclair	26	132,273
Phillipsburg	27	114,204
West New York	28	45,552